King County	Department of Adult and Juvenile Detention All Divisions General Policy Manual	
	Chapter 1 **Administration and Personnel Management**	
1.02.012, Tracking Controllable Assets	Approved By:	Director John Diaz
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Purpose
To establish standards, procedures, schedules and responsibilities associated with tracking capital assets and controllable items that do not meet the capital asset threshold.

Policy
It is the policy of this Department to comply with federal, state and local requirements to ensure small and attractive items, operating supplies and non-capitalized equipment purchased with public funds are tracked through inventory and internal controls.

References
King County Policy: FIN12-1-1 (AEP) Capitalization Thresholds for Capital Assets
King County Code : 4.56.030
King County Ordinance: 16225 (Aug. 25, 2008)

Definitions
Capitalization threshold: The dollar value at which a government elects to capitalize a capital asset for financial reporting.
Capitalized assets: Tangible or intangible asset that meet all three of the following:
a. Initial useful life that extends beyond a single reporting period, (i.e., one year).
b. Used in the operations of the entity.
c. Not excluded by policy (i.e., capitalization threshold).

Controllable items: Items that require tracking due to one or more of the following:
a. Legal compliance requirement.
b. Public safety and to avoid potential liability, e.g., weapons.
c. Risk of loss, damage, or destruction. Included in this definition are both Countywide and Departmental controllable assets.

Countywide controllable assets: Items specifically identified by the Fleet Administration Division, Personal Property Section, tracked in the central capital assets system, even though not capitalized and under the capital asset threshold. Including weapons, as defined by County code.
Departmental controllable assets: Items specifically identified by individual departments that are below the County's capitalization threshold but are determined by the County, it's offices and/or agencies to be at risk or vulnerable to loss. Also called

"small and attractive assets."

A. General Guidelines

1. Senior management will identify those categories which will be tracked as Departmental controllable assets on a Department-wide basis and reported in the County capital assets system. This information will be communicated to the FBOD-Financial Reporting Section and DAJD, Chief Financial Officer (CFO) via this policy.
2. Senior management will communicate to its divisions those controllable assets and categories which should be tracked.
3. Senior management may extend to divisions the option of tracking additional categories and assets where there is a need for additional agency custodial oversight. This information shall also be communicated to the FBOD-Financial Reporting Section and DAJD, CFO.
4. Department Divisions should evaluate and annually update the categories and specific items to track as Departmental Controllable Assets. Department Divisions should determine the methodology best suited for their operation to track Controllable Assets and initiate the annual inventory reconciliation process for the controllable items.
5. Annual inventory will be conducted on all capitalized and controllable assets by the Department Maintenance and Supply staff. The inventory listing is provided by Fleet Administration. Copies of all completed annual inventory reports conducted in the Department need to be forwarded to the DAJD, CFO for review. Original documentation of all inventory reports are maintained in the Director's office.
6. DAJD Divisions using the central capital asset system to track controllable assets, should ensure expenditures are posted to the correct general ledger account as prescribed in the State Auditor's Office Budget, Accounting and Reporting System (BARS) manual.
7. County owned capitalized and controllable assets should be located and maintained in a secured County premise. If assets are to leave County premises, managerial approval and assurance of adequate insurance in the event of loss or malfeasance is required. Losses should be reported immediately to the DAJD, CFO, to determine if the State Auditor's Office requires notification.
8. County owned capitalized and controllable assets that are to be used at home must be identified as County property and be supported by a Departmental management agreement/telecommuting agreement and inventoried at least annually.
9. Disposal of any controllable asset must be done in accordance with state law, and County/Departmental policies, as well as Fleet Administration disposition guidelines, when assets are tracked through the central capital asset system.

Procedures

1. The following assets are designated as DAJD controllable assets with reports on county controllable equipment, such as weapons, to the DAJD, CFO:
   a. Inventoriable Minor Equipment (52183) - Small controllable items: cameras/photographic equipment, radios, computers and related equipment, washers, dryers, cleaning equipment and kitchen equipment less than $5,000

   b. Software (52184) - Controllable software less than $25,000
   c. Law Enforcement Supplies (52213) - Ammunition and specialized protective gear.
2. DAJD will maintain the list of controllable items to be tracked by each Division and ensure the annual inventory review of controllable items is completed in compliance with prescribed policies.

C. Responsibilities

1. Division senior management is responsible for conveying and overseeing the Department processes for tracking and reporting controllable assets.
2. DAJD senior management is responsible for initiating an annual review of the controllable items in the department and collecting and submitting annual reports to the appropriate parties.
3. DAJD Division Majors and Deputy Division Directors are responsible for establishing and maintaining the lists of items that each division tracks as controllable items; for supporting the centrally coordinated process for tracking and reporting on controllable items and for ensuring that Division practices for tracking and reporting on related controllable items conform to state law and existing County/Department policies.
4. Maintenance and Supply shall be responsible for the Department's annual inventory review, as provided by KC Property Services.